

# IOWA STATE UNIVERSITY

## Digital Repository

---

Volume 14 | Number 5

Article 3

---

11-1-1959

## Who Owns Iowa's Farms?

Roger W. Strohbehn  
*Iowa State University*

John F. Timmons  
*Iowa State University*

Follow this and additional works at: <http://lib.dr.iastate.edu/farmscience>



Part of the [Agriculture Commons](#)

---

### Recommended Citation

Strohbehn, Roger W. and Timmons, John F. (1959) "Who Owns Iowa's Farms?," *Iowa Farm Science*: Vol. 14 : No. 5 , Article 3.  
Available at: <http://lib.dr.iastate.edu/farmscience/vol14/iss5/3>

This Article is brought to you for free and open access by the Iowa Agricultural and Home Economics Experiment Station Publications at Iowa State University Digital Repository. It has been accepted for inclusion in Iowa Farm Science by an authorized editor of Iowa State University Digital Repository. For more information, please contact [digirep@iastate.edu](mailto:digirep@iastate.edu).



# Who Owns Iowa's Farms ?



In addition to being of general interest, ownership of farmland affects its use and the distribution of income from it. Changes are occurring in the ownership picture, but it's mainly Iowans who own Iowa's farms.

by Roger W. Strohbehn and John F. Timmons

**O**F THE total 36 million acres of Iowa land, 95 percent is devoted to farming. Who owns this land? What kinds of people are the owners? Is land ownership shifting to fewer owners? Census information alone doesn't always provide definite answers. But the answers are important—and for more reasons than just casual interest.

Ownership of farmland affects its use and conservation, as well as the opportunities for young people to get started in farming and the distribution of income and wealth among many Iowans. In 1958, therefore, we began a statewide study to obtain more definite information. This article summarizes the results on farm ownership. To understand the changes that have taken place, however, let's see how Iowa's farmland was originally distributed.

**How Obtained?** The federal government acquired all Iowa land through the Louisiana Purchase of 1803. Pressures from settlers for land of their own gradually brought about the transfer of this land from public to private ownership. Most of it came to individual farm families through indirect processes—government grants made for military compensation and for transportation and educational purposes.

Contrary to popular belief,

ROGER W. STROHBEHN is agricultural economist, Farm Economics Research Division, ARS, USDA, and was formerly a graduate assistant at Iowa State. JOHN F. TIMMONS is professor of economics at Iowa State.

homesteading played a minor role in transferring Iowa's land to farmers. Only 8,835 homestead claims—covering less than 3 percent of the land—were granted in Iowa. About a third of the land was obtained from the federal government by individual purchases, usually through credit. The remaining two-thirds was granted as bonuses for military service or an incentive for railroads and schools. Part of the land transferred through grants and direct sales was purchased by speculators for resale at higher prices. These various methods by which Iowa land was transferred from the federal government to private ownership are summarized in table 1.

TABLE 1. How Iowa's land was transferred from the federal government.

Method	Proportion
Military grants .....	39.3%
Sales .....	33.2
Transportation grants .....	18.6
Grants for education .....	5.8
Homestead .....	2.8
Other .....	0.3

**Tenure Changes:** Landlords and absentee owners appeared as soon as the Iowa frontier was opened for settlement in 1838. There's been some division between ownership and operatorship ever since. In 1958 nearly

half of all Iowa farmland owners were landlords who owned, but didn't operate their farmland (see table 2). Another 5 percent were landlords who operated part of their land. Almost a third of the owners were farmers who owned all of the land they operated. The remaining 15 percent of owners were farmers who owned part and rented part of the land they operated.

Several substantial shifts in farm tenure have occurred since we obtained similar data in 1946. The proportion of landlords not operating any land increased by 9 percent, while landlords who operated part of their land declined by 7 percent. At the same time, the proportion of farmers who owned all of the land they operated dropped 6 percent, while the proportion who owned part and rented part of their farmland increased 4 percent (see table 2).

Owner-operators in 1958 were most prevalent in northeastern Iowa, 39 percent. Eastern Iowa followed closely with 38 percent. But only in southern and eastern Iowa did the combined number of owner-operators and part-owner operators exceed the number of landlords.

Land ownership has always been a goal of most farm families. But present indications are that

TABLE 2. Tenure of Iowa farm owners, 1946 and 1958.

Tenure group	Proportion of owners	
	1946	1958
Nonoperator-landlord (who doesn't operate any of his land) .....	39%	48%
Operator-landlord (who operates part of his land) .....	12	5
Owner-operator (who owns all land he operates) .....	38	32
Part-owner operator (who owns part of the land he operates) .....	11	15

it's becoming increasingly difficult to achieve this goal. Higher land prices, inheritance practices, larger farm units and lower returns from farming are the main factors in this situation. Many of the shifts in ownership to non-operating landlords are taking place because of tenants not being able to buy farms as they become available.

Areas with the highest land values tend to be the most attractive for landlord investment. These are also the areas where it's most difficult for farmers to become owners. Thus, northwestern, north-central and northern Iowa have the highest proportions of nonoperating landlords. Within these areas, nonoperating landlords represent 59, 58 and 55 percent, respectively, of all owners.

Men represent 85 percent of the owners in the state. Land owned jointly by husband and wife, for the purpose of our study, was considered as being controlled or managed by the husband and has been included in the men-owner group. The remaining 15 percent of owners are women, of whom 90 percent are nonoperating landlords. Many of the women owners are widows who acquired their land from their husbands through inheritance and estate settlement processes.

Of all landlords over 50 years of age, 77 percent of the women and 57 percent of the men were depending on rent from their farms as their main source of income. The landlord group, in total, includes many retired farmers and widows of former farmers.

**Who Owns What?** Of all owners surveyed, 86 percent owned one farm in 1958, 10 percent owned two farms and 4 percent owned three or more farms. Nine of each 10 operator-landlords, however, reported owning two or more farms. And of the nonoperator-landlords, two of each 10 reported owning two or more farms.

Our study shows that the proportion of farmland owned by landlords is somewhat greater than the proportion of owners classified as landlords. Landlords who operated none of their land made up 48 percent of all owners but owned 52 percent of the

state's farmland in acres, 53 percent in value.

Farm operators who owned all of the land they operated made up 32 percent of all owners but owned 27 percent of the state's farmland in acreage and value. Part owners made up 15 percent of the owners, but they owned only 11 percent of the state's farmland in acreage and value. Thus, operator's ownership holdings averaged smaller in areas and value than the holdings of landlords. On the other hand, landlords operating part of their holdings represented only 5 percent of all owners but owned 10 percent of the state's farmland in acres, 9 percent in value.

According to our study, the average acreages owned by the four tenure groups are: owner-operators, 178 acres; part-owner operators, 161 acres; nonoperator-landlords, 228 acres; and operator-landlords, 416 acres.

Generally, the average size of landlord holdings seems to be increasing. The greatest increase appears among landlords operating part of their holdings and renting out the remainder. There's some evidence that these landlords were formerly owner-operators who accumulated more land than they now care to operate. The average size of holdings by landlords operating part of their land increased by an average of 149 acres between 1946 and 1958. The average holdings of landlords not operating any of their land increased 30 acres during this same period.

**What Age?** A partial explanation of the large holdings by landlords is that they're older than operators. They've had more time to buy and to inherit land. For example, about 79 percent of the nonoperating landlords were 55 years of age or older, compared with 40 percent of the owner-operators.

The average age of all Iowa owners in 1958 was 57. The average age of owners shifted upward between 1946 and 1958. And currently, the number of owners under 55 years of age is 3 percent less than in 1946.

**Owners' Occupations:** The occupation of owners often affects

the rental arrangements between tenants and landlords. It may also affect the type of farm operation, the management experience and capital available as well as the distribution of income among operators and owners.

The proportion of owners who farm has been decreasing in recent years. By 1958 only half of the owners were farmers, while in 1946 two out of three owners were farmers (see table 3). While the number of farmers has been decreasing, business and professional owners have increased by 9 percent. So it appears that some ownership and control of Iowa farmland gradually is shifting to individuals who aren't farm operators.

TABLE 3. Occupations of Iowa farm owners, 1946 and 1958.

Occupation	Proportion of owners	
	1946	1958
Farmer .....	65%	52%
Retired farmer .....	16	16
Homemaker (women) .....	4	7
Business or professional .....	9	18
Laborers and others .....	6	7

**Absentee Ownership:** Absentee ownership often is associated with lack of participation by the owner in the management of the farm. Though some in-state owners may be classified in the absentee-owner group, it's usually the out-of-state owners who are in this category. Out-of-state owners often find it difficult to keep in personal contact with their tenants and farms. Thus, out-of-state ownership is at least a rough measure of absentee ownership.

Our study revealed that 90 percent of the ownership units were owned by persons living in Iowa, while 6 percent were owned by persons living in other states. Another 4 percent were held by two or more persons residing in separate households—with at least one being in Iowa and others in another state.

The acreage and value of Iowa farmland held by in-state and out-of-state owners was in the same proportions as the owners themselves. There is absentee ownership in Iowa. But, to a large extent, it's Iowans who own Iowa farms.